

## Office of Assistant Secretary for Housing, HUD

## § 232.11

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- 232.1015 Prompt notification to HUD and mortgagee of circumstances placing the value of the security at risk.

AUTHORITY: 12 U.S.C. 1715b, 1715w, 1735f-19; 42 U.S.C. 3535(d).

SOURCE: 36 FR 24618, Dec. 22, 1971, unless otherwise noted.

### Subpart A—Eligibility Requirements

SOURCE: 61 FR 14406, Apr. 1, 1996, unless otherwise noted.

#### § 232.1 Eligibility requirements, generally; applicability of certain requirements.

(a) *Eligibility, generally.* All of the requirements set forth in 24 CFR part 200, subpart A, except for the requirements for “eligible mortgagor” in 24 CFR 200.5, apply to mortgages insured under section 232 of the National Housing Act (12 U.S.C. 1715w), as amended.

(b) *Applicability of certain requirements.* As of October 9, 2012 the provisions in 24 CFR 207.255(b)(5), 207.258, 232.3, 232.11, 232.254, 232.903(c) and (d), and subpart F of part 232, excluding §§ 232.1007, 232.1009, and 232.1015 of subpart F are applicable only to transactions for which a firm commitment has been issued under this part on or after July 12, 2013.

[77 FR 55136, Sept. 7, 2012, as amended at 78 FR 25185, Apr. 30, 2013]

#### § 232.2 License.

The Commissioner shall not insure any mortgage under this part unless

the facility is regulated by the State, municipality or other political subdivision in which the facility is or is to be located, and the appropriate agency for such jurisdiction provides a license, certificate or other assurances the Commissioner considers necessary, that the facility complies with any applicable State or local standards and requirements for such facility.

#### § 232.3 Eligible borrower.

The borrower shall be a single asset entity acceptable to the Commissioner, as may be limited by the applicable section of the Act, and shall possess the powers necessary and incidental to owning the project, except that the Commissioner may approve a non-single asset borrower entity under such circumstances, terms, and conditions determined and specified as acceptable to the Commissioner.

[77 FR 55136, Sept. 7, 2012]

#### § 232.7 Bathroom.

Not less than one full bathroom must be provided for every four residents of a board and care home or assisted living facility, and bathroom access from any bedroom or sleeping area must not pass through a public corridor or area.

[61 FR 14406, Apr. 1, 1996. Redesignated at 77 FR 55136, Sept. 7, 2012]

#### § 232.11 Establishment and maintenance of long-term debt service reserve account.

(a) To be eligible for insurance under this part, and except with respect to Supplemental Loans to Finance Purchase and Installation of Fire Safety Equipment (subpart C of this part), if HUD determines the mortgage presents an atypical long-term risk, HUD may require that the borrower establish, at final closing and maintain throughout the term of the mortgage, a long-term debt service reserve account.

(b) The long-term debt service reserve account, if required, may be financed as part of the initial mortgage amount, provided that the maximum mortgage amount as otherwise calculated is not thereby exceeded.

(c) The amount required to be initially placed in the long-term debt